

**CALENDAR ITEM
C18**

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10/16/15

S 3

PRC 532.1
M. Schroeder

REVISION OF RENT AND ENDORSEMENT OF SUBLEASE

LESSEE/SUBLESSOR:

Henris Investments, L.P.

SUBLESSEE:

Lind Marine Incorporated (formerly Jerico Products, Inc.)

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Petaluma River, adjacent to Assessor's Parcel Numbers 019-220-036 and 019-220-004, near the city of Petaluma, Sonoma County.

AUTHORIZED USE:

LEASE: Continued use and maintenance of an existing loading pier with dolphins and off-loading dock for sand and gravel.

SUBLEASE: Use of an existing loading pier with dolphins and off-loading dock for sand and gravel.

LEASE TERM:

LEASE: 25 years, beginning November 9, 1999.

SUBLEASE: 10 years, beginning March 5, 1990, through February 29, 2000, with two successive periods of 10 years. First and second renewal periods were approved by Lessee and Sublessee.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends that rent be revised from \$4,860 per year to \$9,464 per year, effective November 9, 2015.

CALENDAR ITEM NO. **C18** (CONT'D)

OTHER PERTINENT INFORMATION:

1. On February 8, 2000, the Commission authorized a General Lease – Industrial Use to Henris Investments, L.P., and a sublease to Northern California Building Materials, Inc. (Norcal), for the continued use and maintenance of an existing loading pier with dolphins and off-loading dock for sand and gravel. The lease will expire on November 8, 2024. The sublease will expire on February 28, 2020.
2. On or about January 31, 2011, Norcal assigned its interest in the sublease to Shamrock Materials, Inc. On January 31, 2014, Shamrock Materials, Inc. assigned its interest in the sublease to Lind Marine Incorporated (formerly Jerico Products, Inc.). Lessee is now applying for approval of the new sublease.
3. Staff has conducted the rent review called for in the lease and recommends the revision of rent.
4. The staff recommends that the Commission find that the subject revision of rent and approval of sublease do not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and are, therefore, not projects in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject revision of rent and approval of sublease are not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activities are not projects as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

1. Approve the revision of rent for Lease No. PRC 532.1 from \$4,860 per year to \$9,464 per year, effective November 9, 2015.

CALENDAR ITEM NO. **C18** (CONT'D)

2. Approve by endorsement a sublease from Henris Investments, L.P. to Lind Marine Incorporated (formerly Jerico Products, Inc.).

EXHIBIT A

LAND DESCRIPTION

PRC 532.1

PARCEL 1

A parcel of tide and submerged land located in the State owned bed and along the right bank of the Petaluma River, County of Sonoma, State of California, said parcel being immediately beneath and extending 40 feet from all sides of an existing pier; said pier being immediately adjacent to that land described as PARCEL 1 in a deed recorded in Book 2861, pages 662 to 665 of the Official Records of Sonoma County.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of Petaluma River.

END OF DESCRIPTION

Prepared M. L. Shaf Checked R. L. Blake
Reviewed A. H. Kinnicke Date 7/29/76
JJB

PARCEL 2

A parcel of tide and submerged land in the State owned bed of Petaluma River, County of Sonoma, California, said parcel being adjacent to and northeasterly of a parcel of land owned by Horace W. & Dorothy K. Henris, more particularly described as follows:

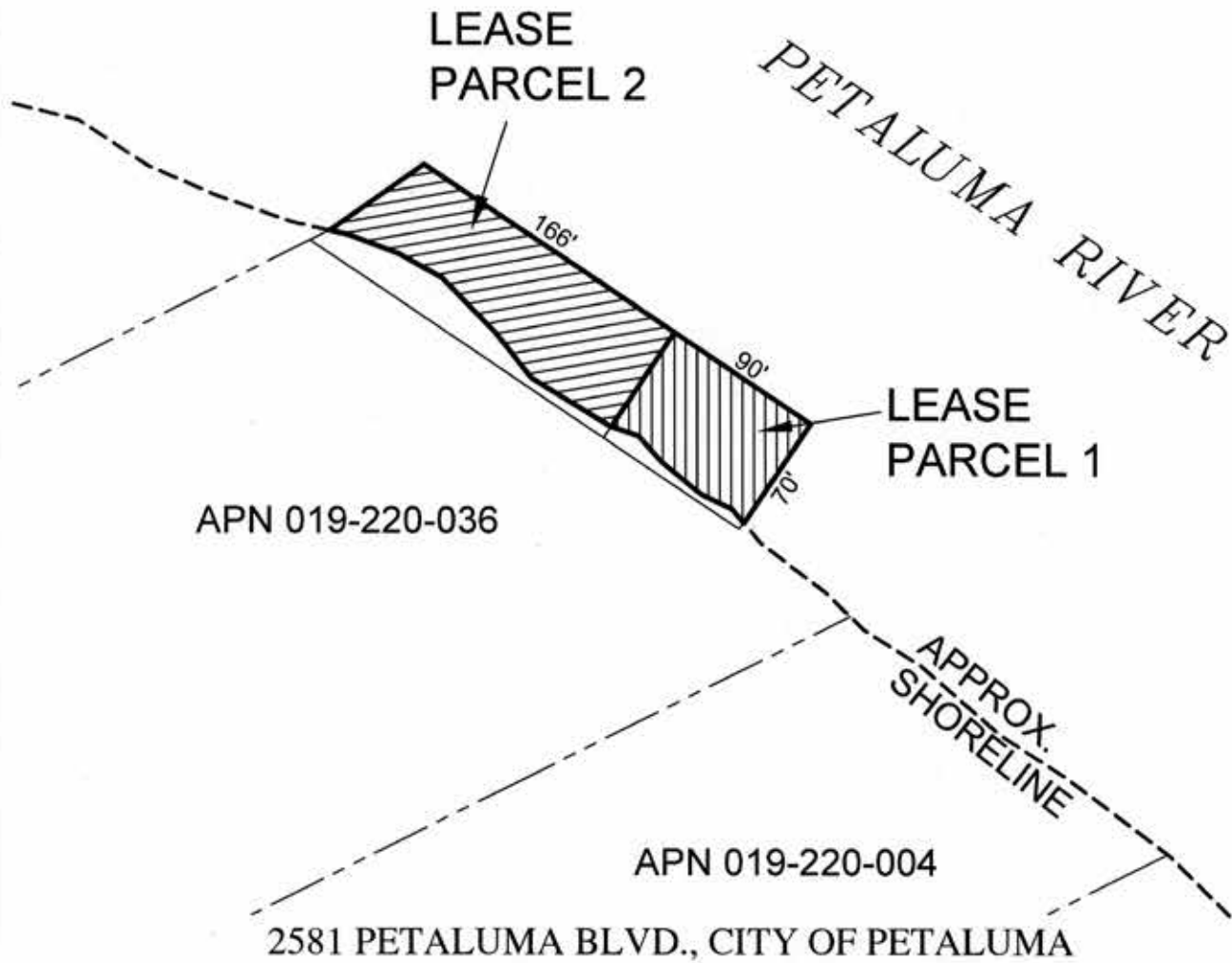
COMMENCING at Engineers Station 917+01.42 on State Highway Sonoma Route 1, Section 'C' as recorded in Book 2 of Highway Maps at Page 61; thence N 35° 17' E, 310.02 feet; thence N 58° 47' W, 153.47 feet; thence N 60° 39' E to the ordinary high water mark of the right bank of Petaluma River and the TRUE POINT OF BEGINNING; thence northwesterly along said ordinary high water mark to a point from which the most westerly corner of the aforementioned parcel of Henris bears S 60° 39' W; thence N 60° 39' E to a point 55 feet distant at right angles to the ordinary high water mark; thence southeasterly on a line parallel with and 55 feet distant from said ordinary high water mark to a point from which the true point of beginning bears S 60° 39' W; thence S 60° 39' W to the true point of beginning.

END OF DESCRIPTION

Prepared M. L. Shaf Checked R. L. Blake
Reviewed A. H. Kinnicke Date 8/5/76

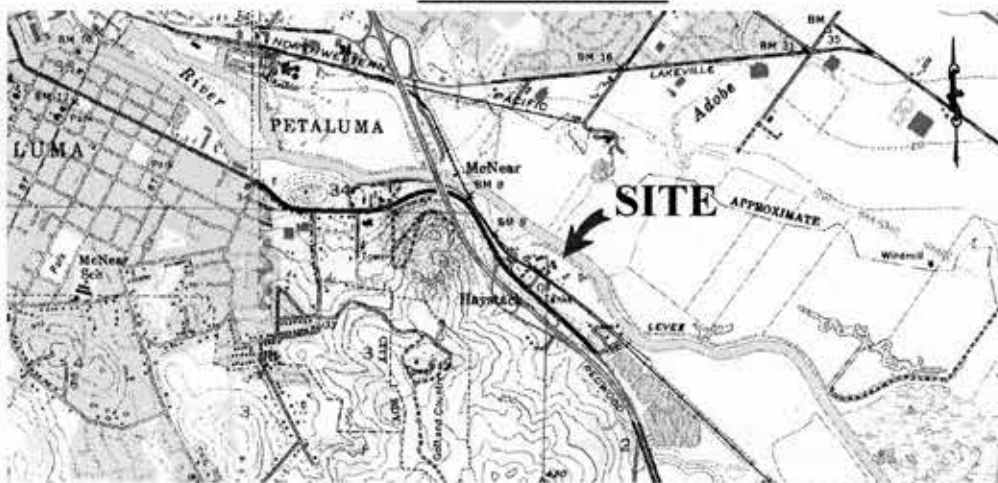
NO SCALE

SITE



NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 532.1
HENRIS INVESTMENTS, L.P.
APNs 019-220-036 & -004
GENERAL LEASE -
INDUSTRIAL USE
SONOMA COUNTY



TS 11/26/13

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.